

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 7 Case

The LaMaur Corporation,

BKY Case No. 02-81847

Debtor.

**TRUSTEE'S MOTION FOR ORDER AUTHORIZING
ASSIGNMENT OF ASSET TO SECURED CREDITOR
IN LIEU OF ABANDONMENT**

1. Brian F. Leonard, the Trustee of the above bankruptcy estate, hereby brings this Motion and gives notice of hearing.
2. A hearing on this Motion will be held before the Honorable Nancy C. Dreher in Courtroom 7 West, U.S. Courthouse, 300 South Fourth Street, Minneapolis, MN 55402 on the 18th day of February, 2004, at 2:30 o'clock p.m. ANY OBJECTION OR RESPONSE TO THIS MOTION MUST BE SERVED AND FILED WITHIN SEVEN (7) DAYS IF BY MAIL, OR MUST BE SERVED AND FILED WITHIN THREE (3) DAYS IF BY PHYSICAL DELIVERY. IF NO OBJECTIONS OR RESPONSES ARE SERVED AND FILED, THE COURT MAY GRANT THE RELIEF REQUESTED WITHOUT A HEARING.
3. The Court has jurisdiction over this matter under 28 U.S.C. §§ 1334 and 157. This is a core proceeding.
4. The Trustee moves the Court for authority to assign all contracts, obligations, rights, royalty payments, and rights to royalty payments due the Debtor from Alleghany Pharmacal Corporation ("Alleghany") (the "Assets"), to Congress Financial

Corporation (“**Congress**”). Congress holds a valid and perfected security interest in the Asset. The purpose of the assignment would be to facilitate the ability of Congress to receive and obtain all payments and obligations due from Alleghany with respect to the Asset. Under a previous Order, the Court authorized the Trustee to assume the existing contracts between the Debtor and Alleghany, which contracts would be the subject of the assignment contemplated herein.

5. Congress is owed in excess of \$1,000,000.00, and the value of all collateral which secured such indebtedness, including the Asset, is less than the amount due Congress.

The assignment contemplated herein is in lieu of an abandonment under a Notice To All Creditors Of Abandonment dated January 8, 2004, filed in this case.

6. In the event any testimony or evidence is appropriate to be offered at any hearing on this matter, the Trustee may offer such evidence and testimony.

WHEREFORE, the Trustee respectfully requests that the Court enter an Order authorizing the Trustee to assign the Asset to Congress Financial Corporation, and for such other and further relief as is just and equitable.

**LEONARD, O'BRIEN
SPENCER, GALE & SAYRE, LTD.**

Dated: January 22, 2004

By /e/ Brian F. Leonard
Brian F. Leonard, #62236
100 South Fifth Street
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VERIFICATION

The undersigned, Brian F. Leonard, under penalty of perjury, hereby states that he has read the foregoing Motion and states that the information contained herein is true and correct to the best of his information and belief.

Dated: January 22, 2004

/e/ Brian F. Leonard
Brian F. Leonard

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**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 7 Case

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BKY Case No. 02-81847

Debtor.

**MEMORANDUM OF LAW IN SUPPORT OF
TRUSTEE'S MOTION FOR ORDER AUTHORIZING
ASSIGNMENT OF ASSETS TO SECURED CREDITOR**

The Chapter 7 Trustee moves the Court for an Order authorizing Trustee to assign to Congress Financial Corporation ("**Congress**"), a secured creditor, all of the contract rights, rights to payments, and obligations owed by Alleghany Pharmacal Corporation ("**Alleghany**") to the Debtor. Congress holds a valid and perfected security interest in the Asset.

The purpose of the Trustee's Motion is to facilitate the receipt by Congress of payments and other obligations owed by Alleghany. This Motion is brought under 11 U.S.C. § 363(b)(1), which authorizes the Trustee, after notice and hearing, to use, sell, or lease, in the ordinary course of business, property of the estate. In addition, authority for the relief sought by the Trustee herein is found in 11 U.S.C. § 105. An assignment on the Asset as described in the Motion is appropriate, instead of an abandonment of the same, because upon the Trustee's request, the Court previously issued an Order authorizing the Trustee to assume the contract obligations owed the Debtor by Alleghany.

**LEONARD, O'BRIEN
SPENCER, GALE & SAYRE, LTD.**

Dated: January 22, 2004

By /e/ Brian F. Leonard
Brian F. Leonard, #62236
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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 7 Case

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Debtor.

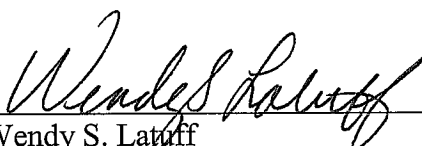
UNSWORN CERTIFICATE OF SERVICE

I, Wendy S. Latuff, declare under penalty of perjury that on the 28th day of January, 2004, I mailed a copy of the *Trustee's Motion For Order Authorizing Assignment of Asset to Secured Creditor in Lieu of Abandonment, Memorandum of Law and Order* (proposed) to:

See attached service list

enclosed in an envelope, postage prepaid, and by depositing the same in the post office at Minneapolis, Minnesota, directed to said parties at the addresses on the attached service list, the last known addresses of said parties.

Dated: January 28, 2004



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(612) 332-1030

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 7 Case

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BKY Case No. 02-81847

Debtor.

ORDER

A hearing on the Motion of the Chapter 7 Trustee seeking authority to assign contracts, payment, royalty, and all other obligations due the Debtor from Alleghany Pharmacal Corporation to Congress Financial Corporation came on for hearing on the 18th day of February, 2004, at 2:30 o'clock p.m. Appearances were noted in the record.

Based upon the Motion of the Trustee, and it appearing that no objections or responses have been served and filed, and upon all the files in this case, **IT IS HEREBY**

ORDERED, that the Chapter 7 Trustee, Brian F. Leonard, is authorized to assign to Congress Financial Corporation all contracts, obligations, and rights, including rights to royalty payments, due from Alleghany Pharmacal Corporation to the Debtor. Such assignment shall be in lieu of an abandonment of the foregoing under a Notice To All Creditors Of Abandonment dated January 8, 2004, and filed in this case.

Dated: _____

Nancy C. Dreher
United States Bankruptcy Judge